

Second Tier Benefits



California Public Employees' Retirement System

Your Contributions

As a CalPERS member under the second tier retirement formula, your retirement benefits are fully paid for by your employer's contributions. Although you do not make contributions, you do earn service credit. Your CalPERS Annual Member Statement will reflect service credit you have earned and any contributions you may have on deposit from other CalPERS service.

Changing Jobs

If you leave your present job, you will keep your second tier service credit with CalPERS if:

1. you have at least 10 years of service credit; or
2. you have at least five years of CalPERS-credited service earned prior to January 1, 1985; or
3. you accept a position covered by the State Teachers', Legislators', Judges' I, Judges' II, or University of California Retirement System (you must advise CalPERS); or
4. you become a member, within six months of leaving your State job, of a California public retirement system that has reciprocity with CalPERS (you must advise CalPERS). Reciprocity is an agreement between CalPERS and certain other systems that permits movement of members to and from CalPERS without the loss of certain retirement rights. Contact the CalPERS Member Services Division for information on reciprocity or see **When You Change Retirement Systems** (PERS-PUB-16).

If none of the above conditions apply, you will cease to be a CalPERS member and you will lose your second tier service credit. Should you later become a CalPERS

member, your second tier service credit may be restored in full after you have been credited with at least one year of service under the second tier formula.

Redepositing Withdrawn Contributions

If you return to CalPERS membership and you took a refund for other service besides second tier, you may be eligible to redeposit your contributions, plus interest, and restore corresponding service credit. You may also be eligible to redeposit

your contributions if you become a member of another California public retirement system which has reciprocity with CalPERS. If you are thinking about retiring soon, you should submit your request to redeposit as early as possible in order to avoid delays in your retirement processing. Your election to redeposit must be done **prior** to your effective date of retirement.

For information on other types of additional service credit that may be available to you, see **Service Credit** (PERS-PUB-12) or contact the CalPERS Member Services Division.

To Receive An Estimate

If you are considering retirement CalPERS can prepare an estimate of your allowance for you. This will tell you approximately what your allowance would be under the options available to you. You may request an estimate by mail by completing a **Retirement Allowance Estimate Request** (PERS-BAS-1) available from your employer or CalPERS. You may also request an estimate by telephone to the CalPERS Regional Office near you (see back cover for addresses and telephone numbers). We'll need to know:

- your name;
- birthdate;
- Social Security number;
- mailing address;
- tentative date(s) of retirement;
- your beneficiary's birthdate and their relationship (if you wish estimates for Options 2, 2W, 3, 3W, or 4);
- whether you have ever received a CalPERS monthly allowance; and
- whether you have:
 1. a spouse to whom you will have been married for at least one year prior to your effective date of retirement, or if no such spouse;
 2. unmarried children under age 18, or any unmarried child who was disabled prior to age 18 and has remained disabled continuously since then, or if no such children;
 3. dependent parents.

Remember, you must still file an application for retirement if you wish to retire.

You can also receive an informal estimate by using the CalPERS Retirement Planning Calculator on our web site at www.calpers.ca.gov.

Choosing A Retirement Plan

At retirement you may choose to receive the highest allowance (called the unmodified allowance) or you may take a reduction and choose one of the six optional settlements. These are explained in your member booklet.

Regardless of the retirement plan you choose, upon your death CalPERS will pay a \$2,000 retired member death benefit to a named beneficiary.

Applying For Retirement

You must complete and file with CalPERS an **Application For Service Retirement** (PERS-BAS-369S) available from your Personnel Office or any CalPERS Regional Office. You may, at that time, request calculations for the unmodified allowance and all the options.

To ensure timely processing, submit your application to CalPERS at least 90 days before you intend to retire. The Retirement Law provides that a member's effective retirement date can be no earlier than the first of the month in which the application is received, except in special circumstances.

If you leave your CalPERS-covered job and join a reciprocal system, you will become a member of both systems. When you retire, you must apply for retirement from each system separately. For further information on reciprocity, please see **When You Change Retirement Systems** (PERS-PUB-16).

If you are married, you may be asked to provide a copy of your marriage certificate. If you plan to name a beneficiary to receive a monthly allowance, you will also have to present proof of your beneficiary's date of birth. Copies of required documents are acceptable.

Approximately 30 days prior to your retirement date, you should receive an **Election Of Optional Settlement And Beneficiary Designation** (PERS-BAS-898). Carefully read all the information and select one of the optional settlements or the unmodified allowance. Both you and your spouse must sign the form in the presence of a notary public or an authorized CalPERS representative, and promptly return it to the CalPERS headquarters in Sacramento.

Other Considerations Health Insurance

To participate in this program as a retiree, you must be enrolled in a CalPERS-sponsored health plan on the date of your separation from employment.

If you retire within 30 days after separation from employment, your health coverage will automatically continue.

If you retire more than 30 but within 120 days of separation from employment, your health coverage will not automatically continue. However, you may re-enroll in your health plan. Contact the CalPERS Health Benefit Services Division as soon as you are advised of your retirement date.

If your effective date of retirement is more than 120 days after separation from employment, or you are not enrolled at the time of separation, you are not eligible to be enrolled at retirement or any future date.

If upon retirement you are eligible for Social Security Medicare benefits (after age 65), State law prohibits your continued enrollment in the "Basic" plan. You must enroll in the Supplement To Medicare or Managed Medicare portion of your CalPERS-sponsored health plan. Contact the CalPERS Health Benefit Services Division after

receiving your federal Medicare card to determine your eligibility and to coordinate the effective date of your Medicare coverage.

The State will contribute to the cost of your health benefits coverage based on the date you were first hired and your years of credited service.

- If you were first hired prior to January 1, 1985, the State will contribute fully toward your health insurance, regardless of your years of service.
- If you were first hired on or after January 1, 1985 but before January 1, 1989, and you have 10 years or more of total service credit, the State will contribute fully toward your health insurance. Otherwise, the State's contribution will be prorated according to your years of service.
- If you were first hired as a represented employee on or after January 1, 1989, or as a nonrepresented employee on or after January 1, 1990, and you have 20 years or more of State service, the State will contribute fully toward your health insurance. Otherwise, the State's contribution will be prorated according to your years of service (a minimum of 10 years service is required).

If your family members are enrolled as dependents at the time of your death, their enrollment will be continued automatically if they receive a monthly allowance from CalPERS. The State's contribution will also continue. If their monthly allowance does not cover their share of the premium, CalPERS will notify them of their options. If they do not receive a monthly allowance, they may continue their coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA) program (contact your Personnel Office for details and COBRA enrollment forms).

Surviving family members' eligibility for health coverage can change due to various circumstances. For example, a spouse who is receiving a 1959 Survivor Benefit may experience an interruption in health coverage due to the loss of eligibility for dependent children. The spouse may re-enroll upon regaining eligibility at age 60. For more information on eligibility, call the CalPERS Health Benefit Services Division.

Dental Benefits

State employees receiving a retirement allowance from CalPERS and who retire within 120 days of separation from employment are eligible for dental benefits.

Continuation of your dental coverage into retirement is not automatic. Your current Personnel Office must complete a new **Dental Plan**

Enrollment Authorization

form (STD. 692). Send the completed form to CalPERS 30 days prior to your retirement. If you do not enroll at the time of retirement but choose to remain as a dependent and later lose other State-sponsored dental coverage, you may enroll during a future Open Enrollment Period.

Long-Term Care

If you are enrolled in the CalPERS Long-Term Care Program and have premiums deducted from your check, you will need to call the Program's Customer Service at (800) 982-1775 to find out what steps you need to take to continue your premiums after retirement.

Vision Plan

Vision coverage is not available in retirement. You may continue the insurance through COBRA.

Cost-Of-Living Adjustments

A special provision in your retirement plan allows for cost-of-living increases. The first adjustment will be made in the second calendar year following your retirement and annually thereafter. Currently, these increases are fixed at 3 percent compounded annually.

Inflation Protection

Added protection against inflation is provided by the Purchasing Power Protection Allowance (PPPA), created to restore an annuitant's monthly allowance to 75 percent of its original purchasing power.

You will automatically receive PPPA supplemental payments if your allowance falls below the 75 percent purchasing power level and there are funds in the PPPA account.

Temporary Annuity

A temporary annuity is an additional monthly income you may choose to augment your pension from CalPERS. This additional benefit may enable you to coordinate your CalPERS benefit with other income you may receive from deferred compensation or Social Security, and may allow you to retire earlier.

The temporary annuity benefit is payable from your retirement date to a specific age that you select from 59½ or any whole age from 60 to 68. You can also designate the dollar amount you wish to receive. The benefit is not free, however. Your lifetime retirement allowance is reduced to pay for your temporary annuity.

In order to be eligible for temporary annuity benefits you must retire with a service retirement. You are not eligible for the temporary

annuity benefit if you apply for a disability retirement.

For more information on who qualifies and the cost and benefits under this plan, see **Temporary Annuity** (PERS-PUB-13).

Taxes

Your benefits will be subject to both State and federal withholding. You will be given the opportunity to make an election regarding withholding.

Information on the taxability of your retirement is available from the Internal Revenue Service, the California State Franchise Tax Board, or the tax authority of the state you live in. You may also want to contact your tax advisor or attorney.

After you retire, CalPERS will send you a Form 1099R each year, which is a tax statement of benefits paid to you during the year.

For more information, see **Taxes and Your Retirement** (PERS-PUB-34).

Social Security

If you have ever contributed to Social Security, check with your local Social Security Office to determine what your benefits may be under that program.

Working After Retirement

After your service retirement, you may work for private industry without affecting your retirement allowance.

Before you enter into CalPERS-covered employment, check with CalPERS on how this would affect your retirement status.

If you retire for disability, your allowance can be reduced by outside employment. For more information, see **Disability Retirement** (PERS-PUB-10) or your **Application for Disability Retirement** (PERS-PUB-35).

Reinstatement To Membership

If you wish to accept employment requiring membership in CalPERS, you must be reinstated from retirement.

The Retirement Law requires that CalPERS approve your reinstatement before it becomes effective. You will have to comply with certain requirements to be reinstated. When your reinstatement becomes effective, you will stop receiving your allowance until you retire again. Reinstatement will affect future benefit payments and cost-of-living allowances. You must contact CalPERS prior to reinstating.

Sick Leave Credit

At retirement, any unused sick leave you have will be converted to additional service credit. You will receive credit for each day of unused sick leave certified by your employer. It takes 250 days of sick leave to receive one year's service credit. Eight hours of sick leave is one day, which converts to .004 of a year of service credit. (For example, if your employer certified 120 days, your additional credit would be $120 \div 250$, or .480 of a year's service credit.) This adjustment is calculated after your retirement and paid retroactively to your retirement effective date.

To receive sick leave credit, your retirement date must be within 120 days from the date of separation from the employer granting the sick leave.

Changing Beneficiaries After Retirement

You may change your designation for Option 1, the retired death benefit, or any unpaid temporary annuity payments at any time by filing a ***Beneficiary Designation For Death Benefits After Retirement*** (PERS-PRS-509).

A change in your marital status, the birth or adoption of a child, or the death of your named beneficiary may, by law, revoke your beneficiary designation for lump-sum death benefits.

Re-Election Of Option After Retirement

There are certain situations under which you may re-elect an option after retirement and name a new beneficiary. Such re-election will result in a reduction to your allowance.

- If you choose the unmodified or Option 1 allowance, you may elect to receive an optional settlement naming your new spouse as beneficiary. Contact CalPERS immediately for the most current provisions of the law.
- If you choose Option 2, 2W, 3, 3W, or 4 and your beneficiary dies, you may elect to receive an optional settlement and name a new beneficiary.
- If you choose to receive Option 2, 2W, 3, 3W, or 4, and name your spouse as beneficiary but your marriage is later terminated, you may (in limited circumstances) elect to receive a new optional settlement and name a new beneficiary.

Power Of Attorney

CalPERS has a durable special power of attorney form for use by members and beneficiaries. This durable power of attorney enables you to appoint another individual to deal with CalPERS on your behalf. This person may select a retirement option, a beneficiary, change your mailing address, sign tax withholding forms, and conduct other retirement business on your behalf.

The Power of Attorney is a complex issue. To fully understand it, you should obtain a copy of the ***Power of Attorney*** booklet (PERS-PUB-30). This booklet also contains the needed CalPERS ***Special Power of Attorney*** form (PERS-OSS-138).

Retirement Workshops and Seminars

CalPERS offers two-hour Retirement Workshops and full-day Financial Planning Seminars to help members plan for a better and healthier retirement. Contact your nearest CalPERS Regional Office for details.

CalPERS Headquarters Telephone Information Centers

Retirement Program Services	(800) 352-2238
Health Benefits Program Services	(800) 237-3345
Telecommunications Device for the Deaf	(916) 326-3240

These numbers are available to leave an inquiry 24 hours a day, seven days a week.

FAX Numbers

Benefit Services Division	(916) 326-3933
Health Benefit Services Division	(916) 326-3935
Member Services Division	(916) 558-4019
Other CalPERS Offices	
Fresno Regional Office	(559) 440-4901
Los Angeles Regional Office	(310) 231-3480
Mountain View Regional Office	(650) 428-4601
Orange Regional Office	(714) 939-4701
Sacramento Regional Office	(916) 231-7878
San Bernardino Regional Office	(909) 806-4820
San Diego Regional Office	(619) 220-7201
San Francisco Regional Office	(415) 369-8501

CalPERS Addresses

Sacramento Regional Office (Headquarters)

2750 Gateway Oaks Dr., Room 140
Sacramento, CA 95833
(800) 352-2238

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720
(559) 440-4900

Los Angeles Regional Office*

11766 Wilshire Blvd., Suite 1600
Los Angeles, CA 90025
(310) 231-3464

Mountain View Regional Office

650 Castro Street, Suite 240
Mountain View, CA 94041
(650) 428-4600

Orange Regional Office

500 North State College Blvd.,
Suite 750
Orange, CA 92868
(714) 939-4700

San Bernardino Regional Office

650 East Hospitality Lane
Suite 330
San Bernardino, CA 92408
(909) 806-4800

San Diego Regional Office

7676 Hazard Center Dr., Suite 350
San Diego, CA 92108
(619) 220-7200

San Francisco Regional Office

301 Howard St., Suite 2020
San Francisco, CA 94105
(415) 369-8500

CalPERS On-Line

www.calpers.ca.gov

*This office may be relocating in 2000. Please call first to verify address before visiting.

About the cover:

Giant Kelp; *Macrocystis pyrifera*

Thousands of tons of kelp are harvested along the California coast each year. Giant kelp is one of our renewable resources, and it produces a substance known as algin which is commonly used in the making of ice cream, gels, icings and cosmetics. Growing as long as 150 feet, this kelp forms giant "groves," providing an important habitat for many marine life.

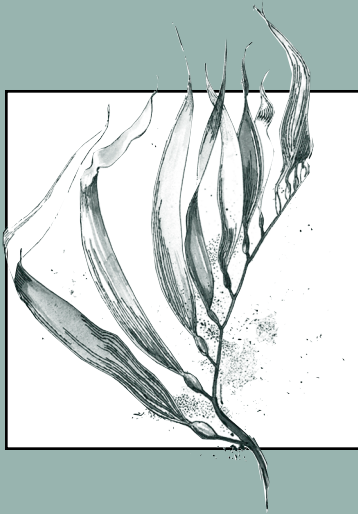
Here is your California Public Employees' Retirement System (CalPERS) member benefit booklet. This two-part booklet tells you about your retirement program. The outside portfolio contains information on contributions, health insurance, and other considerations. The booklet inside tells you about your specific formula and benefits. It will help you choose the best retirement plan for you and your beneficiaries. As you begin to think about retirement, you should get a copy of ***Planning Your Service Retirement*** (PERS-PUB-1), available from your Personnel Office or CalPERS.

We urge you to attend a retirement workshop several months before you retire to help with this decision. Your Personnel Office can help you arrange an appointment at the nearest CalPERS Regional Office or with CalPERS staff who travel to your area.

We hope this booklet will help you understand your retirement program and the benefits it provides you and your beneficiaries.

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

**All CalPERS publications mentioned in these materials
are available on our web site at www.calpers.ca.gov**



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State
Industrial
1¼% at 65
Second Tier
Benefits
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California Public Employees' Retirement System

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.

Definition

"State industrial" members include employees of the Department of Corrections or the Department of the Youth Authority, other than those who are State safety or peace officer/firefighter members. Also included are those employed by the Board of Prison Terms, the Youthful Offender Parole Board, the Division of Adult Paroles, and the Board of Trustees of the California Institution for Women who hold positions designated by law as qualifying for the State industrial category.

Important Message

State industrial members who are employed by the State on or after January 1, 2000 are generally eligible to participate in the first tier 2% at 55 retirement formula. In certain circumstances, these members must elect to receive this formula. If you are unsure of your retirement formula, please contact your Personnel Office or CalPERS.

The information in this booklet applies only to the second tier formula, 1¼ % at 65.

To qualify for certain benefits discussed in this booklet, you must be at least 55 years of age and have a minimum of 10 years CalPERS-covered service. However, if you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years service.

For service under any other formula, please obtain the appropriate booklet from your Personnel Office or CalPERS.

Notice

Section 415 of the Internal Revenue Code places a dollar limit on the annual benefit you can receive from a tax-qualified pension plan such as CalPERS. Under Section 415, the maximum annual benefit payable if you retire at Social Security "normal retirement age" is \$135,000 for 2000 (indexed annually for inflation and reduced for early retirement).

If you first became a CalPERS member prior to January 1, 1990, your benefit, under certain circumstances, may exceed these limits.

If at retirement CalPERS finds that your benefit must be limited under Section 415, CalPERS will enroll you in a replacement benefit program and pay a monthly amount that will, to the extent possible, make up the amount your CalPERS benefit is limited.

Pre-Retirement Death Benefits

If you die before you retire, CalPERS provides several benefits for your family or the beneficiary(ies)* named by you. Since there are different choices to make, you should discuss these with your beneficiary. For your convenience, we have divided the pre-retirement death benefits into two categories: **Not Job-Related Death** and **Job-Related Death**. By law, a job-related death for State industrial members is defined as death occurring as the result of a direct violent attack on your person by an inmate or

parolee of the Department of Corrections or the Youth Authority in the course of performing your normal duties.

A note to those who have separated from CalPERS-covered employment: upon your death, no benefit will be payable except as provided by law under special circumstances.

***Named Beneficiary.** To designate a beneficiary, or update an earlier designation, you must fill out a **Beneficiary Designation** (State Form 241). This form is available from your employer or CalPERS. For some of the death benefits, you may name anyone you choose as

a beneficiary. If you name a beneficiary and then (1) marry, (2) initiate an annulment, or dissolution of marriage, (3) have a child or adopt a child, or (4) terminate your employment and receive a refund of your CalPERS contributions, your designation will, by law, be revoked. Should any of the above events take place, check with CalPERS about updating your beneficiary designation. If you take a refund of your CalPERS contributions and then return to CalPERS-covered employment, you must complete a new beneficiary designation.

Not Job-Related Death

Not Eligible To Retire: Under age 55, or age 55 or over with less than 10 years of CalPERS-credited service.

Benefit	Amount Payable
Group Term Life Insurance	This is a tax-free lump-sum benefit of \$5,000, plus six months' pay (50 percent of your pay for the 12 months just before your death). It is payable to the same beneficiary who will receive the Alternate Death Benefit, if applicable.
	And
Alternate Death Benefit (If Applicable)	<p>The Alternate Death Benefit applies to members under age 55 with at least 20 years of State service credit and who were not represented by collective bargaining or who belonged to a collective bargaining unit which specifically contracted for the Alternate Death Benefit.</p> <p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service at age 55 and elected Option 2W. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>If you are not survived by an eligible spouse but are survived by natural or adopted unmarried children under age 18, they will receive an amount equal to ½ of what your highest service retirement allowance would have been had you retired at age 55.</p>

(continued)

Not Job-Related Death *(continued)*

Benefit	Amount Payable
	<p>If no one is eligible for the Alternate Death Benefit OR IF THE ALTERNATE DEATH BENEFIT IS NOT APPLICABLE, your beneficiary for the Group Term Life Insurance will be determined as follows:</p> <ol style="list-style-type: none"> 1. named beneficiary, or if none or if revoked, 2. spouse, or if none, 3. children, or if none, 4. parents, or if none, 5. brothers and sisters, or if none, 6. estate, if probated, or if not probated, 7. trust, or if none, 8. next of kin, as provided by law. <p>And</p>
1959 Survivor Benefit (If Applicable)	Applicable only for State members NOT covered under Social Security while in State service. See page 7.

Not Job-Related Death

Eligible To Retire: Age 55 or over with a minimum of 10 years of CalPERS-credited service.

Benefit	Amount Payable
Group Term Life Insurance	<p>This is a tax-free lump-sum benefit of \$5,000. It is payable to the same beneficiary who will receive the Optional Settlement 2, the 1957 Survivor Benefit, or the Basic Death Benefit.</p> <p>And</p>
Optional Settlement 2 Death Benefit	<p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service on the date of your death and elected Option 2W. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>Or</p>
1957 Survivor Benefit	<p>This benefit is payable if you are not survived by a spouse who is eligible for the Optional Settlement 2 Death Benefit but are survived by natural or adopted unmarried children under age 18. The benefit is a monthly allowance equal to $\frac{1}{2}$ of what your highest service retirement allowance would have been had you retired on the date of your death.</p> <p>Or</p>
Basic Death Benefit	<p>The Basic Death Benefit will be paid if:</p> <ol style="list-style-type: none"> 1. no one is eligible for either the Optional Settlement 2 Death Benefit or the 1957 Survivor Benefit, or 2. the person eligible for either the Optional Settlement 2 Death Benefit or the 1957 Survivor Benefit chooses instead to receive the Basic Death Benefit. <p>Your beneficiary will receive a lump-sum payment of six months' pay (50 percent of your earnable pay for the 12 months just before your death).</p> <p>If no one is eligible for the Optional Settlement 2 Death Benefit or 1957 Survivor Benefit, your beneficiary for the Basic Death Benefit will be determined as follows:</p> <ol style="list-style-type: none"> 1. named beneficiary, or if none or if revoked, 2. spouse, or if none, 3. children, or if none, 4. parents, or if none, 5. brothers and sisters, or if none, 6. estate, if probated, or if not probated, 7. trust, or if none, 8. next of kin, as provided by law. <p>And</p>
1959 Survivor Benefit (If Applicable)	<p>Applicable only for State members NOT covered under Social Security while in State service. See page 7.</p>

Job-Related Death

Not Eligible To Retire: Under age 55, or age 55 or over with less than 10 years of CalPERS-credited service.

Benefit	Amount Payable
Group Term Life Insurance	<p>This is a tax-free lump-sum benefit of \$5,000, plus six months' pay (50 percent of your earnable pay for the 12 months just before your death). It is payable to the same beneficiary who will receive the Alternate Death Benefit, if applicable, or the Special Death Benefit.</p> <p>And</p>
Special Death Benefit	<p>Your surviving spouse or children may receive a monthly allowance equal to $\frac{1}{2}$ of your final compensation (see page 9). Since the cause of death must be some external violence or physical force while on the job, the allowance may be increased to a maximum of 75 percent if there are eligible surviving children in addition to your spouse.</p> <p>The Special Death Benefit is payable to your surviving spouse until death or to your unmarried children until age 22. To be eligible, your spouse must have been married to you either prior to the injury which resulted in your death or for at least a year before death.</p> <p>Or</p>
Alternate Death Benefit (If Applicable)	<p>Instead of the Special Death Benefit, your spouse may choose to receive the Alternate Death Benefit. The Alternate Death Benefit applies to members under age 55 with at least 20 years of State service credit and who were not represented by collective bargaining or belonged to a collective bargaining unit which specifically contracted for the Alternate Death Benefit.</p> <p>Your spouse, if married for more than one year, will receive a monthly allowance equal to the amount you would have received if you had retired for service at age 55 and elected Option 2W. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18.</p> <p>If you are not survived by an eligible spouse but are survived by natural or adopted unmarried children under the age of 18, they will receive an amount equal to $\frac{1}{2}$ of what your highest service retirement allowance would have been had you retired at age 55.</p> <p>If no one is eligible for either the Special Death Benefit or the Alternate Death Benefit, your beneficiary for the Group Term Life Insurance will be determined as follows:</p> <ol style="list-style-type: none"> 1. named beneficiary, or if none or if revoked, 2. spouse, or if none, 3. children, or if none, 4. parents, or if none, 5. brothers and sisters, or if none, 6. estate, if probated, or if not probated, 7. trust, or if none, 8. next of kin, as provided by law. <p>And</p>
1959 Survivor Benefit (If Applicable)	<p>Applicable only for State members NOT covered under Social Security while in State service. See page 7. (The 1959 Survivor Benefit may not be payable if the Special Death Benefit is elected.)</p>

Job-Related Death

Eligible To Retire: Age 55 or over with a minimum of 10 years of CalPERS-credited service. However, if you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years of service.

Benefit	Amount Payable
Group Term Life Insurance	This is a tax-free lump-sum benefit of \$5,000, payable to the same beneficiary who will receive the Special Death Benefit, the Optional Settlement 2 Death Benefit, the 1957 Survivor Benefit, or the Basic Death Benefit described below. And
Special Death Benefit	Your surviving spouse or children may receive a monthly allowance equal to $\frac{1}{2}$ of your final compensation (see page 9). Since the cause of death must be some external violence or physical force while on the job, the allowance may be increased to a maximum of 75 percent if there are eligible surviving children in addition to your spouse. The benefit is payable to your surviving spouse until death or to your unmarried children until age 22. To be eligible, your spouse must have been married to you either prior to the injury which resulted in your death or for at least a year before death. Or
Optional Settlement 2 Death Benefit	Instead of the Special Death Benefit, your spouse may choose to receive a monthly allowance equal to the amount you would have received had you retired for service on the date of your death and elected Option 2W. To qualify, your spouse must have been married to you for at least one year prior to your death. The benefit is payable to your spouse until death. Upon the death of your spouse, the benefit will continue to your natural or adopted unmarried children under age 18. Or
1957 Survivor Benefit	This benefit is payable if you are not survived by a spouse who is eligible for the Optional Settlement 2 Death Benefit but are survived by natural or adopted unmarried children under age 18. The benefit is a monthly allowance equal to $\frac{1}{2}$ of what your highest service retirement allowance would have been had you retired on the date of your death. Or (continued)

Job-Related Death *(continued)*

Benefit	Amount Payable
Basic Death Benefit	<p>The Basic Death Benefit will be paid if:</p> <ol style="list-style-type: none"> 1. there are no eligible survivors for the Special Death Benefit, or 2. there is no eligible spouse for the Optional Settlement 2 Death Benefit, or 3. the person eligible for a monthly allowance above chooses instead to receive the Basic Death Benefit. <p>Your beneficiary will receive a lump-sum payment of six months' pay (50 percent of your earnable pay for the 12 months just before your death).</p> <p>If no one is eligible for the Special Death Benefit or the Optional Settlement 2 Death Benefit, your beneficiary for the Basic Death Benefit will be determined as follows:</p> <ol style="list-style-type: none"> 1. named beneficiary, or if none or if revoked, 2. spouse, or if none, 3. children, or if none, 4. parents, or if none, 5. brothers and sisters, or if none, 6. estate, if probated, or if not probated, 7. trust, or if none, 8. next of kin, as provided by law. <p>And</p>
1959 Survivor Benefit (If Applicable)	<p>Applicable only for State members NOT covered under Social Security while in State service. See page 7. (The 1959 Survivor Benefit may not be payable if the Special Death Benefit is elected.)</p>

1959 Survivor Benefit

Only members not covered under Social Security while in State service may have this coverage. If you are covered under the 1959 Survivor Benefit, you will notice a \$2 deduction from your monthly paycheck.

The 1959 Survivor Benefit is paid along with the other death benefits whether or not you were eligible to retire at the time of death.

The benefit consists of a monthly allowance which may be paid to your eligible surviving spouse and children. A spouse is eligible if they have care of eligible children or are age 60 or older. Children are eligible if under age 22 and unmarried.

If your survivors receive a monthly allowance for the Special Death Benefit, their 1959 Survivor Benefit will be reduced by the amount they receive every month for the Special Death Benefit. This means the only amount payable will be the amount which exceeds the Special Death Benefit.

Eligible survivors may receive one of the following monthly allowances:

1. a spouse who has care of two or more eligible children; or three eligible children only (split among them) \$1,800*
2. a spouse who has care of one eligible child; or two eligible children only (split among them) \$1,500*
3. one eligible child only; or spouse at age 60 or older \$750
4. dependent parents may be eligible if there are none of the above (each) \$750

* Amounts may differ if all children are not in spouse's care.

Retirement Benefits

Service Retirement

To be eligible for service retirement you must be at least age 55 and have 10 years of CalPERS-credited service. However, if you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years of service under the second tier.

Partial Service Retirement

If you are eligible, you may choose to receive a partial allowance from CalPERS and continue working with your department or agency. You are eligible if:

1. you are at least age 55 with 20 years State service; or
2. you have met the minimum requirement for years of service credit and age at retirement, and your age and years of service total 65 or more.

If you are interested in partial service retirement, contact your Personnel Office and request a copy of **Partial Service Retirement** (PERS-PUB-14) for more information. Before electing this benefit, you should find out if you are eligible to be fully retired and to work as a retired annuitant.

Disability Retirement

There are two types of disability retirement. If the cause of your injury or illness was not related to your job, it is called disability retirement. To qualify, you must have at least 10 years of credited service. If you have less than 10 years of service credit, but at least five years earned prior to January 1, 1985, you are eligible for this benefit.

If the cause of your disability is job-related, meaning your disability was incurred by an inmate or parolee from the Department of Corrections or the Youth Authority, it is called industrial disability retirement. There is no minimum service requirement for this benefit.

If you are considering applying for either type of disability, you should obtain **Disability Retirement** (PERS-PUB-10) and **Industrial Disability Retirement** (PERS-PUB-11).

Emergency Retirement

CalPERS will expedite retirement processing for those who are terminally ill or facing imminent death. Contact CalPERS or your employer immediately if there is a need for emergency retirement.

Estimating Your Service Allowance

There are three things you need to know to estimate your retirement allowance: service credit, benefit factor, and final compensation. These are described in this section, with an example and a space to estimate your own benefit.

If your CalPERS service is a combination of some service covered by Social Security and some service not, or if you have a combination of service under CalPERS with the State or a local agency, special consideration must be given to figure the amount of your benefit. You should request a formal estimate from CalPERS by completing a **Retirement Allowance Estimate Request** (PERS-BAS-1) available from your employer or any CalPERS Regional Office.

You can also receive an informal estimate by using the CalPERS Retirement Planning Calculator on our web site at www.calpers.ca.gov.

Service Credit

In calculating your retirement allowance you will use your years of credited service. (Refer to your CalPERS Annual Member Statement for your current service credit and add planned future service.)

You may be entitled to additional service credit. Examples of possible additions are:

- redeposit of contributions you have withdrawn from CalPERS;
- service with a CalPERS-covered agency prior to your date of membership;
- service with a public agency prior to the date of that agency's contract with CalPERS; or
- certain types of leaves of absence, public service employment, or military service.

If you elected second tier for all past and future eligible State service, you may be able to receive additional service credit at no cost to you.

For information on any of the above types of service credit, see **Service Credit** (PERS-PUB-12) or contact the CalPERS Member Services Division for more information. Requests for additional service credit must be received prior to your retirement date.

Benefit Factor

This is the percent of pay to which you are entitled for each year of service. It is determined by your age at retirement.

We have shown only whole years of age below; however, the benefit factor increases for each quarter year of age from 55 to 65.

Age At Retirement	Percent Per Year Of Service
50	.500*
51	.550*
52	.600*
53	.650*
54	.700*
55	.750
56	.800
57	.850
58	.900
59	.950
60	1.000
61	1.050
62	1.100
63	1.150
64	1.200
65+	1.250

* If you have five years of credited service earned prior to January 1, 1985, you are eligible to retire at age 50 with less than 10 years under the second tier.

Final Compensation

Final compensation is your average monthly pay rate for the last consecutive 12 months of employment. If you think there was another period of 12 consecutive months when your average pay rate was higher, let us know when you apply for retirement. We will use whichever final compensation amount is higher.

Example

If you will be retiring at age 60 with 25 years of service.

Step 1: Calculating Percent Of Final Compensation

$$\begin{array}{ccccc} \frac{25}{\text{Years Of}} & \times & \frac{1\%}{\text{\% Per Year}} & = & \frac{25\%}{\text{\% Of Final}} \\ \text{Service} & & \text{Based On Age} & & \text{Compensation} \\ & & \text{At Retirement} & & \\ & & \text{(from table in back)} & & \end{array}$$

Step 2: Calculating Benefit Allowance

$$\begin{array}{ccccc} \frac{\$2,000}{\text{Final}} & \times & \frac{25\%}{\text{\% Of Final}} & = & \frac{\$500}{\text{Monthly}} \\ \text{Compensation} & & \text{Compensation} & & \text{Unmodified} \\ & & \text{(from Step 1)} & & \text{Allowance} \end{array}$$

Your Case

You will be retiring at age ____ with ____ years of service.

Step 1: Calculating Percent of Final Compensation

$$\begin{array}{ccccc} \frac{\quad}{\text{Years Of}} & \times & \frac{\quad}{\text{\% Per Year}} & = & \frac{\quad}{\text{\% Of Final}} \\ \text{Service} & & \text{Based On Age} & & \text{Compensation} \\ & & \text{At Retirement} & & \\ & & \text{(from table in back)} & & \end{array}$$

Step 2: Calculating Benefit Allowance

$$\begin{array}{ccccc} \frac{\quad}{\text{Final}} & \times & \frac{\quad}{\text{\% Of Final}} & = & \frac{\quad}{\text{Monthly}} \\ \text{Compensation} & & \text{Compensation} & & \text{Unmodified} \\ & & \text{(from Step 1)} & & \text{Allowance} \end{array}$$

Survivor Continuance

This is a benefit paid for by the State. It provides that upon your death, after retirement, a part of your unmodified allowance will automatically continue to an eligible survivor. Those eligible to receive this benefit are shown below.

1. Your spouse will receive the continuance benefit for life, if you were married for at least one year before your retirement and had remained married until the date of your death. (For disability retirement, you need only have been married at retirement and remained married until the date of your death.)
2. If you have no eligible spouse, then your natural or adopted unmarried children under age 18 will qualify. They will receive this monthly benefit until marriage or age 18. An unmarried child who was disabled prior to age 18 and whose disability has continued, without interruption, will receive this benefit until the disability ends or until marriage.
3. If none of the above, qualifying dependent parents.

If you became a second tier member prior to November 1, 1988, the continuance will be $\frac{1}{2}$ of your unmodified allowance.

If you became a second tier member on or after November 1, 1988, the continuance will be $\frac{1}{2}$ of your unmodified allowance if you are not coordinated with Social Security and $\frac{1}{4}$ of your unmodified allowance if you are coordinated with Social Security.

If you have a combination of service under CalPERS with the State or a local public agency, special consideration must be given to figure the amount of your continuance benefit. Contact your nearest CalPERS Regional Office or your employer for a **Retirement Allowance Estimate Request** (PERS-BAS-1).

You can also receive an informal estimate by using the CalPERS Retirement Planning Calculator on our web site at www.calpers.ca.gov.

Remember, Survivor Continuance will apply only if you have an eligible family member as of the date of your retirement.

Optional Settlements

When you retire, you may choose to receive the unmodified allowance, or you may take a reduction to that allowance and choose one of the six options.

The unmodified allowance is the highest amount payable and provides a monthly benefit to you that ends upon your death. Each of the options provides a benefit to your named beneficiary after your death. Option 1 provides a lump-sum payment of your remaining contributions (if any). Option 2, 2W, 3, 3W, or 4 provides a monthly allowance.

The reduction to your unmodified allowance depends on the option you choose.

Option 1. The reduction is based on your life expectancy at retirement and the amount of your contributions (if any). You may name one or more beneficiaries, and you may designate a new beneficiary at any time. This is available only if you have contributions on deposit with CalPERS for State first tier service or other CalPERS-covered service.

Option 2 or 3. The reduction is based on both your life expectancy at retirement and your beneficiary's. The younger your beneficiary, the greater the reduction. (If you have someone eligible for Survivor Continuance, the reduction is applied only to the option portion of your allowance.) You may name only one beneficiary and your designation may not be changed after retirement except under limited circumstances.

If your beneficiary dies before you, your allowance will increase to the higher unmodified allowance amount. Under certain circumstances you may not want to "buy" this coverage; for example, you name a young child as a beneficiary. Therefore, you may waive this coverage, by electing Option 2W or 3W and take a smaller reduction to your unmodified allowance. CalPERS will provide you with calculations of all these choices when you apply for retirement.

Option 4. The reduction is based on the type of option you design. The amount to your beneficiary cannot be greater than that provided by Option 2W. Refer to **Retirement Option 4** (PERS-PUB-18) for examples of types of allowances you can provide for your beneficiary.

The examples on the following pages provide more detail on the unmodified allowance and the options. The dollar amounts used show the relative cost of each option and are not representative of your case. If you have a family member eligible for Survivor Continuance, see the example on page 11; if not, skip to page 12.

Example Of Optional Settlements With Survivor Continuance

Our example assumes your spouse is named beneficiary and is eligible for Survivor Continuance. We have also assumed that you were covered under the second tier prior to November 1, 1988, and therefore the continuance would equal $\frac{1}{2}$ of your unmodified allowance.

	Retiree's Lifetime Allowance	Monthly Benefit To Surviving Spouse	
Unmodified Allowance The highest allowance payable. After your death, your beneficiary will receive the Survivor Continuance benefit for life.	\$500	\$250	Survivor Continuance
Option 1 This option will apply only if you have contributions on deposit with CalPERS for service under another formula. Any remaining contributions will be paid in a lump sum to a beneficiary. Your spouse will receive the Survivor Continuance benefit for life.	—	\$250	Survivor Continuance plus any remaining contributions
Option 2* After your death, your spouse will receive the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will increase to the unmodified amount.	\$225 \$250 \$475	\$225 \$250 \$475	Option Portion Survivor Continuance Total
Option 2W* After your death, your Spouse will receive the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will continue at the Option 2W amount.	\$229 \$250 \$479	\$229 \$250 \$479	Option Portion Survivor Continuance Total
Option 3* After your death, your spouse will receive $\frac{1}{2}$ the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will increase to the unmodified amount.	\$237 \$250 \$487	\$118 \$250 \$368	Option Portion Survivor Continuance Total
Option 3W* After your death, your spouse will receive $\frac{1}{2}$ the option portion and the Survivor Continuance benefit for life. If your spouse predeceases you, your allowance will increase to the unmodified amount.	\$239 \$250 \$489	\$120 \$250 \$370	Option Portion Survivor Continuance Total
Option 4 You may customize the amount of the allowance you want to provide to your beneficiary, as long as the amount for your beneficiary is not more than the amount provided under Option 2W.			

Please refer to **Retirement Option 4** (PERS-PUB-18) for examples of the types of allowances you can provide your beneficiary.

* Although our example specifies spouse, you may designate anyone to receive the option portion of an allowance. The Survivor Continuance benefit is guaranteed to an eligible survivor after your death.

Example Of Optional Settlements Without Survivor Continuance

	Retiree's Lifetime Allowance	Beneficiary's Monthly Allowance
<p>Unmodified Allowance</p> <p>The unmodified allowance is the highest payable. Following your death, only the retired member death benefit will be paid to your named beneficiary.</p>	\$500	None
<p>Option 1</p> <p>This option will apply only if you have contributions on deposit with CalPERS for service under another formula. After your death, all of your remaining contributions will be paid in a lump sum to your named beneficiary.</p>	—	None
<p>Option 2</p> <p>After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount.</p>	\$450	\$450
<p>Option 2W</p> <p>After your death, your beneficiary will receive the same monthly allowance you were receiving. If your beneficiary predeceases you, your allowance will continue at the Option 2W amount.</p>	\$458	\$458
<p>Option 3</p> <p>After your death, your beneficiary will receive a monthly allowance equal to $\frac{1}{2}$ the amount you had been receiving. If your beneficiary predeceases you, your allowance will increase to the unmodified amount.</p>	\$474	\$237
<p>Option 3W</p> <p>After your death, your beneficiary will receive a monthly allowance equal to $\frac{1}{2}$ the amount you had been receiving. If your beneficiary predeceases you, your allowance will continue at the Option 3W amount.</p>	\$478	\$239
<p>Option 4</p> <p>You may customize the amount of the allowance you want to provide to your beneficiary, as long as the amount for your beneficiary is not more than the amount provided under Option 2W.</p>		
<p>Please refer to Retirement Option 4 (PERS-PUB-18) for examples of the types of allowances you can provide your beneficiary.</p>		

State Industrial Second Tier Members
1¼% at 65 Formula

Exact Age And Percentage Of Final Compensation

Age	55	56	57	58	59	60	61	62	63	64	65+
Benefit Factor	.750	.800	.850	.900	.950	1.000	1.050	1.100	1.150	1.200	1.250
Years Of Service											
10	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%	11.50%	12.00%	12.50%
11	8.25%	8.80%	9.35%	9.90%	10.45%	11.00%	11.55%	12.10%	12.65%	13.20%	13.75%
12	9.00%	9.60%	10.20%	10.80%	11.40%	12.00%	12.60%	13.20%	13.80%	14.40%	15.00%
13	9.75%	10.40%	11.05%	11.70%	12.35%	13.00%	13.65%	14.30%	14.95%	15.60%	16.25%
14	10.50%	11.20%	11.90%	12.60%	13.30%	14.00%	14.70%	15.40%	16.10%	16.80%	17.50%
15	11.25%	12.00%	12.75%	13.50%	14.25%	15.00%	15.75%	16.50%	17.25%	18.00%	18.75%
16	12.00%	12.80%	13.60%	14.40%	15.20%	16.00%	16.80%	17.60%	18.40%	19.20%	20.00%
17	12.75%	13.60%	14.45%	15.30%	16.15%	17.00%	17.85%	18.70%	19.55%	20.40%	21.25%
18	13.50%	14.40%	15.30%	16.20%	17.10%	18.00%	18.90%	19.80%	20.70%	21.60%	22.50%
19	14.25%	15.20%	16.15%	17.10%	18.05%	19.00%	19.95%	20.90%	21.85%	22.80%	23.75%
20	15.00%	16.00%	17.00%	18.00%	19.00%	20.00%	21.00%	22.00%	23.00%	24.00%	25.00%
21	15.75%	16.80%	17.85%	18.90%	19.95%	21.00%	22.05%	23.10%	24.15%	25.20%	26.25%
22	16.50%	17.60%	18.70%	19.80%	20.90%	22.00%	23.10%	24.20%	25.30%	26.40%	27.50%
23	17.25%	18.40%	19.55%	20.70%	21.85%	23.00%	24.15%	25.30%	26.45%	27.60%	28.75%
24	18.00%	19.20%	20.40%	21.60%	22.80%	24.00%	25.20%	26.40%	27.60%	28.80%	30.00%
25	18.75%	20.00%	21.25%	22.50%	23.75%	25.00%	26.25%	27.50%	28.75%	30.00%	31.25%
26	19.50%	20.80%	22.10%	23.40%	24.70%	26.00%	27.30%	28.60%	29.90%	31.20%	32.50%
27	20.25%	21.60%	22.95%	24.30%	25.65%	27.00%	28.35%	29.70%	31.05%	32.40%	33.75%
28	21.00%	22.40%	23.80%	25.20%	26.60%	28.00%	29.40%	30.80%	32.20%	33.60%	35.00%
29	21.75%	23.20%	24.65%	26.10%	27.55%	29.00%	30.45%	31.90%	33.35%	34.80%	36.25%
30	22.50%	24.00%	25.50%	27.00%	28.50%	30.00%	31.50%	33.00%	34.50%	36.00%	37.50%
31	23.25%	24.80%	26.35%	27.90%	29.45%	31.00%	32.55%	34.10%	35.65%	37.20%	38.75%
32	24.00%	25.60%	27.20%	28.80%	30.40%	32.00%	33.60%	35.20%	36.80%	38.40%	40.00%
33	24.75%	26.40%	28.05%	29.70%	31.35%	33.00%	34.65%	36.30%	37.95%	39.60%	41.25%
34	25.50%	27.20%	28.90%	30.60%	32.30%	34.00%	35.70%	37.40%	39.10%	40.80%	42.50%
35	26.25%	28.00%	29.75%	31.50%	33.25%	35.00%	36.75%	38.50%	40.25%	42.00%	43.75%
36	27.00%	28.80%	30.60%	32.40%	34.20%	36.00%	37.80%	39.60%	41.40%	43.20%	45.00%
37	27.75%	29.60%	31.45%	33.30%	35.15%	37.00%	38.85%	40.70%	42.55%	44.40%	46.25%
38	28.50%	30.40%	32.30%	34.20%	36.10%	38.00%	39.90%	41.80%	43.70%	45.60%	47.50%
39	–	31.20%	33.15%	35.10%	37.05%	39.00%	40.95%	42.90%	44.85%	46.80%	48.75%
40+	–	–	34.00%	36.00%	38.00%	40.00%	42.00%	44.00%	46.00%	48.00%	50.00%

